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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	<b>: Chapter 11</b>
	<b>: </b>
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	<b>: Case No. 08-13555 (JMP)</b>
	<b>: </b>
<b>Debtors.</b>	<b>: Jointly Administered</b>
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**STATEMENT OF ELLIOTT MANAGEMENT CORPORATION WITH RESPECT TO  
THE FIRST APPLICATIONS OF WEIL, GOTSHAL & MANGES LLP, AS  
ATTORNEYS FOR THE DEBTORS, AND MILBANK, TWEED, HADLEY & MCCLOY  
LLP, AS ATTORNEYS FOR THE OFFICIAL COMMITTEE, FOR INTERIM  
ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES RENDERED  
AND REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED  
FROM SEPTEMBER 15, 2008 THROUGH JANUARY 31, 2009**

TO: THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE:

Elliott Capital Management Corporation (“Elliott”), by and through its undersigned counsel, submits this statement with respect to (i) the First Application of Weil, Gotshal & Manges LLP, as Attorneys for the Debtors, for Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred from September 15, 2008 through January 31, 2009 (the “Debtors’ Professionals’ Fee Application”) [Docket No. 3343], and (ii) the First Application of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, for Interim Approval and

Allowance of Compensation for Services Rendered and for Reimbursement of Expenses During Period from September 17, 2008 through and Including January 31, 2009 (the “Committee’s Professionals’ Fee Application” and, together with the Debtors’ Professionals’ Fee Application, the “Fee Applications”) [Docket No. 3337], filed by Weil, Gotshal & Manges LLP (the “Debtors’ Professionals”) and Milbank, Tweed, Hadley & McCloy LLP (the “Committee’s Professionals” and, together with the Debtors’ Professionals, the “Retained Professionals”) respectively in connection with their representations in the above-referenced chapter 11 cases of Lehman Brothers Holdings Inc. and its affiliated debtors (collectively, the “Debtors”). Elliott respectfully states as follows:

### **STATEMENT**

1. Although the Fee Applications include a summary compilation of the hours spent on these chapter 11 cases by various Retained Professionals’ attorneys and other personnel (and their respective hourly rates), the Fee Applications do not include the detailed, contemporaneous time records (the “Time Records”) that form the fundamental basis for which the Debtors’ Professionals and the Committee’s Professionals seek compensation. Without this information, Elliott was concerned that, as a party in interest, it could not assess the propriety of the Fee Applications or, if necessary, present a meaningful objection to any aspect of the fees and expenses for which the Retained Professionals request payment.

2. By letter dated April 23, 2009, Elliott requested copies of the Time Records supporting the Debtors’ Professionals Fee Application from the Debtors’ Professionals. Elliott also requested such Time Records from the Committee’s Professionals, which are counsel to the Official Committee of Unsecured Creditors in these chapter 11 cases, pursuant to section 1102(b)(3)(A) of title 11 of the United States Code. Through subsequent communications with

the Retained Professionals, Elliott made clear that the provision of Time Records redacted of any confidential and/or privileged information would satisfy this request.

3. The Debtors' Professionals responded by stating that they would provide Elliott with the opportunity to review the Debtors' Professionals' Time Records at the Debtors' Professionals' offices only after Elliott entered into a nondisclosure agreement providing that Elliott would use the Time Records solely for the purpose of evaluating the Fee Application and, if necessary, objecting thereto.

4. As a compromise, the Debtors' Professionals have agreed to permit White & Case LLP ("W&C")<sup>1</sup> to review the Time Records confidentially as Elliott's representative.<sup>2</sup> Due to such compromise and given that the Fee Applications are merely interim requests, Elliott has no objection to the Fee Applications. W&C, on behalf of Elliott, however, has not yet received the Time Records. Accordingly, Elliott reserves the right to be heard with respect to future interim fee requests and/or the final request for approval of compensation in these cases.

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<sup>1</sup> As this Court is aware, W&C represents, among others, the Ad Hoc Group of Lehman Brothers Creditors (the "Group"), of which Elliott is a member. W&C began its representation of Elliott with respect to the Fee Applications prior to the formation of the Group.

<sup>2</sup> In addition, the Committee's Professionals have similarly agreed to permit W&C to review their Time Records as Elliott's representative.

WHEREFORE, Elliott does not object to the Fee Applications but reserves the right to be heard with respect to future interim fee requests and/or the final request for approval of compensation in these chapter 11 cases.

Dated: July 31, 2009  
New York, New York

Respectfully submitted,

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By: /s/ Gerard Uzzi  
Gerard Uzzi

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